



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF:

SEP 13 2006

(AE-17J)

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Charles Doebler, Site Manager  
Hexion Specialty Chemicals Inc.  
400 East Cottage Place  
Carpentersville, Illinois 60110

Re: Hexion Specialty Chemicals Inc.  
Administrative Consent Order

Dear Mr. Doebler:

Enclosed is a fully executed original of an Administrative Consent Order.

If you have any technical questions about the Administrative Consent Order, please contact Mr. Joseph Ulfig, of my staff, at (312) 353-8205. Any legal questions should be directed to Mr. Lawrence Kyte at (312) 886-4245. Thank you for your cooperation.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Brent Marable".

Brent Marable, Chief  
Air Enforcement and Compliance Assurance Section (IL/IN)

Enclosure

cc: Julie Armitage, Acting Manager  
Compliance and Enforcement Section  
Illinois Environmental Protection Agency

Harish Narayan, Acting Regional Manager  
Region 1  
Illinois Environmental Protection Agency

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

IN THE MATTER OF:	)	
Hexion Specialty Chemicals Inc.	)	Administrative Consent Order
	)	
Proceeding Under	)	EPA-5-06-113(a)-6-IL
Section 113(a)(1)(A)	)	
of the Clean Air Act,	)	
42 U.S.C. § 7413(a)(1)(A)	)	

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**Administrative Consent Order**

1. The Director of the Air and Radiation Division, United States Environmental Protection Agency (U.S. EPA), Region 5, is issuing this Administrative Consent Order (Order) to Hexion Specialty Chemicals Inc. (Hexion), under Section 113(a)(1)(A) of the Clean Air Act (Act), 42 U.S.C. § 7413(a)(1)(A).

**Statutory and Regulatory Background**

2. Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), authorizes the Administrator to initiate an enforcement action whenever, among other things, the Administrator finds that any person has violated or is in violation of a requirement or prohibition of Title V of the CAA, or any rule promulgated, issued or approved under Title V of the CAA.
3. Title V of the Clean Air Act, 42 U.S. § § 7661 et seq., established an operating permit program for major sources of air pollution. Section 502(d) of the Act, 42 U.S. C. § 7662a(d), provides that each state must submit to the Administrator of U.S.EPA a permit program meeting the requirements of Title V.
4. Pursuant to Section 502(b) of the Act, 42 U.S.C. § 7661a(b), the Administrator promulgated regulations, subsequently codified at 40 C.F.R. Part 70, providing for the establishment of Title V permitting programs.
5. Section 502 (a) of the CAA, 43 U.S.C. § 7661a(a) and 40 C.F.R. § 70.0(b) provide that, after the effective date of any permit program approved or promulgated under Title V of the CAA, no source subject to Title V may operate except in compliance with a Title V permit.
6. U.S. EPA promulgated interim approval to the Illinois Title V program on March 7, 1995 (60 Fed Reg. 12478), and the program became effective on that date. U.S. EPA granted final approval of the Illinois Title V program effective November 30, 2001 (See 40 C.F.R. Part 70, Appendix A).
7. On September 9, 1994, U.S. EPA approved 35 Illinois Administrative Code (IAC) Part 218, as part of the federally enforceable SIP for Illinois. 59 Fed. Reg. 46562. This Part contains standards and limitations for emissions of organic material and volatile organic

material from stationary sources located in the Chicago area, which is comprised of Cook, DuPage, Kane, Lake, McHenry and Will Counties and Aux Sable Township and Goose Lake Township in Grundy County and Oswego Township in Kendall County.

8. 40 C.F.R. § 52.23 states that the failure of a person to comply with any approved regulatory provision of a SIP, or with any permit condition that is issued under an EPA-approved program that is incorporated into a SIP, shall subject that person to an enforcement action under Section 113 of the Act, 42 U.S.C. § 7413.

### **Findings**

9. Hexion owns and operates a specialty chemical manufacturing facility, located at 400 East Cottage Place, Carpentersville, Illinois (the Facility).
10. Hexion operates both a thermal oxidizer and a catalytic thermal oxidizer as control devices for its specialty chemical manufacturing facility.
11. Hexion utilizes two separate carbon absorber systems for emissions control when the oxidizers do not achieve temperatures used to demonstrate compliance during the October 2002 and June 2004 stack tests.
12. Each of Hexion's carbon absorber systems are comprised of two carbon 2000 lb capacity canisters, operated in series. These canisters are regenerated off-site by a third-party.
13. On March 31, 2006, U.S. EPA issued to Hexion a Notice and Finding of Violation (NOV/FOV) under Section 113(a)(1) and (a)(3) of the Clean Air Act, 42 U.S.C. § 7413(a)(1) and (a)(3) alleging that Hexion violated the terms of its Title V permit, Construction Permit, and the Illinois State Implementation Plan (SIP).
14. On April 27, 2006, representatives of Hexion and U.S. EPA discussed the March 31, 2006 Notice and Finding of Violation.
15. Hexion denies any wrongdoing relating to this Order and the specific factual findings and conclusions of law set forth in this Order and the NOV/FOV.

### **Compliance Assurance Program**

16. Except as set forth in paragraph 31 in this Order, by no later than one year from the effective date of this Order, Hexion must complete the project described in paragraphs 17 and 18 to demonstrate compliance with 35 Illinois Administrative Code § 218.501(a).
17. Hexion must install, maintain, and operate, according to the manufacturer's directions, a continuous VOM monitoring system for both carbon absorber systems. This system shall monitor the VOM concentration in the stream entering and exiting the carbon system.
18. Hexion will implement the monitoring device installation in accordance with the schedule set forth below:

- a. Hexion must apply to IEPA for any permits that may be necessary to construct the system within 15 days of the effective date of this Order.
  - b. The monitoring system must be installed and operating within 120 days of Hexion's receipt of permits if necessary to construct and operate the monitor from the IEPA.
  - c. If no permit is required from the IEPA, Hexion shall install the monitoring device no later than March 31, 2007.
- 19. Hexion will not utilize either carbon system for primary control of its process emissions. Hexion will only use the carbon systems as a back-up emission control system when either the thermal oxidizer system or catalytic fume incinerator is taken offline.
- 20. Following installation of the continuous monitoring system, emissions of VOM from each carbon system must be demonstrated to continuously achieve a 90% destruction efficiency (measured as total organic carbon except for those compounds and substances excluded from the definition of VOM per federal and State of Illinois laws and regulations).
- 21. Hexion's continuous monitoring system shall be equipped with an electronic datalogging system to demonstrate that the 90% destruction efficiency is being achieved over each 2 minute period of the carbon system's use.
- 22. By no later than 60 days following start up of the continuous monitoring system, Hexion shall submit documentation that the system has been successfully calibrated and tested in accordance with the manufacturer's directions.
- 23. Until the VOM monitoring system outlined in paragraphs 17-22 above is installed Hexion must monitor the outlet of the carbon system with a Rae Systems Mini Rae 2000 (PGM-7600), a hand held VOM monitoring device, within seven minutes of beginning use of the carbon system, every ten to 12 minutes during the use of the carbon system, and at the conclusion of the use of the carbon system. To conduct monitoring, the probe of the hand held monitoring device shall be inserted at least one inch into the center of the exhaust port. A concentration observation shall be made once the concentration reading has reached a maximum level.
- 24. Until the VOM monitoring system outlined in paragraphs 17-22 above is installed, Hexion shall carry out regular monitoring of the carbon canisters every seven days, regardless of whether or not the canisters were used and monitored during that span of time. Prior to the regular weekly monitoring, Hexion shall calibrate the hand held device.
- 25. Hexion must submit documentation within 15 days of the effective date of this Order that the hand held device has been maintained according to manufacturer's requirements and certified accurate by the manufacturer or another credible source.
- 26. Until the VOM monitoring system outlined in paragraphs 17-22 above is installed Hexion must change out the carbon canister first exposed to process emissions as soon as a

reading of 400 ppm, as total organic carbon, is observed at the outlet of the carbon system. After the analyzer system is installed, the carbon canisters shall be changed as necessary to comply with 35 Illinois Administrative Code § 218.501(a).

27. For each use of either carbon system, Hexion shall include within its Semi-Annual Monitoring Reports and Compliance certifications a detailed description of time, date, duration, and cause of each event that caused the oxidizers to operate below the temperatures used to demonstrate compliance. This description shall also include a detailed report outlining what work was undertaken to prevent the determined cause of the deviant operation of the oxidizers.
28. Prior to the installation of the continuous monitoring system, Hexion shall report any measurement from the canisters in excess of 400 ppm, as total organic carbon within seven days. This requirement will terminate with the termination of this Order.
29. After the installation of the continuous monitoring system, Hexion shall report any failure of the carbon systems to achieve a 90% destruction efficiency to U.S. EPA within seven days. This requirement will terminate one year from the effective date of this Order.
30. Any deviation from the requirements in paragraphs 17-29 shall be reported to U.S. EPA as required under state and federal rules.
31. If an event occurs which causes or may cause a delay in Hexion completing the obligations described in paragraphs 17 through 32 of this Order:
  - a. Hexion must notify U.S. EPA in writing within 10 days after learning of circumstances which caused or are expected to cause a delay in completing the obligations of paragraphs. The notice must describe the anticipated length of the delay, its cause(s), Hexion's past and proposed actions to prevent or minimize the delay, and a schedule to carry out those actions. Any such notice must be sent to the attention of Joseph Ulfig, Air Enforcement and Compliance Assurance Branch (AE-17J), U.S. EPA Region 5, 77 W. Jackson Boulevard, Chicago, Illinois 60604. Hexion must take all reasonable actions to avoid or minimize any delay. If Hexion fails to notify U.S. EPA according to this paragraph, Hexion will not receive an extension of time to complete the monitoring device installation.
  - b. If the parties agree that circumstances beyond the control of Hexion caused or may cause a delay in completing the obligations of paragraphs 17 through 30, U.S. EPA shall extend the time for performance of the obligation for a period of such time as U.S. EPA reasonably determines is necessary to perform such obligation. This time period will be no longer than the period of delay.
  - c. If U.S. EPA does not agree that circumstances beyond the control of Hexion caused or are expected to cause a delay in completing the obligations of paragraphs 17 through 30, U.S. EPA will notify Hexion in

writing of its decision and any delays in completing the obligations of paragraphs 17 through 30 will not be excused. U.S. EPA shall not unreasonably withhold its agreement that the circumstances beyond the control of Hexion caused or are expected to cause the delay in performance.

- d. Hexion has the burden of proving that circumstances beyond its control caused or are expected to cause a delay in completing the obligations of paragraphs 17 through 29. Delays based solely on increased costs of performance will not be a basis for an extension of time under subparagraph b, above. An extension of time granted by U.S. EPA to achieve an interim step will carry with it an equivalent extension to subsequent steps to the extent that the subsequent steps depend on completion of the interim step.

### **General Provisions**

- 32. This Order does not affect Hexion's responsibility to comply with other local, state, and federal laws and regulations.
- 33. This Order does not restrict U.S. EPA's authority to enforce the Illinois SIP, or any section of the Act.
- 34. Except as otherwise specifically provided to the contrary herein, nothing in this Order limits U.S. EPA's authority to seek appropriate relief, including penalties under Section 113 of the Act, 42 U.S.C. § 7413, for any violation by Hexion of the Illinois SIP. However, Hexion's compliance with the terms and conditions of this Order represents a complete and final resolution regarding Hexion's liability for the violations alleged in this Order and the NOV/FOV.
- 35. Failure to comply with this Order may subject Hexion to penalties of up to \$32,500 per day for each violation under Section 113 of the Act, 42 U.S.C. § 7413, and 40 C.F.R. Part 19.
- 36. The terms of this Order are binding on Hexion, its assignees and successors. Hexion must give notice of this Order to any successors in interest, prior to transferring ownership, and must simultaneously verify to U.S. EPA, at 77 W. Jackson Boulevard (AE-17J), Chicago, Illinois 60604, that Hexion has given the notice.
- 37. This Order is not subject to the Paperwork Reduction Act, 44 U.S.C. § 3501 et seq., because it seeks collection of information by an agency from specific individuals or entities as part of an administrative action or investigation.
- 38. U.S. EPA may use any information submitted under this Order in an administrative, civil, or criminal action.

39. For the purposes only of settlement, avoiding litigation and resolving U.S. EPA's NOV/FOV, and without admitting any fact, violation, or liability, Hexion agrees to the terms of this Order.
40. This Order is effective on the date of signature by the Director of the Air and Radiation Division. This Order will terminate upon satisfactory completion of Hexion's obligations under Paragraphs 17 -22 and Paragraph 26 of this Order, except for the reporting required in Paragraph 29, which will terminate one year from the effective date of this Order.

8/24/06

Date

Charles Doebl  
Carpentersville Site Manager  
Hexion Specialty Chemicals Inc.

9/12/06

Date

Cheryl L. Newton, Acting Director  
Air and Radiation Division

**CERTIFICATE OF MAILING**

I, Betty Williams, do hereby certify that I sent a copy of the Administrative Consent Order, No. EPA-5-06-113(a)-6-IL, by Certified Mail, Return Receipt Requested, to:


Charles Doeblor, Carpentersville Site Manager  
Hexion Specialty Chemicals Inc.  
400 East Cottage Place  
Carpentersville, Illinois 60110

I also certify that I sent copies of the Administrative Consent Order by first class mail to:

Julie Armitage, Acting Manager  
Compliance and Enforcement Section  
Bureau of Air  
Illinois Environmental Protection Agency  
1021 North Grand Avenue East  
Springfield, IL 62794

Harish Narayen, Acting Regional Manager  
Region I  
Illinois Environmental Protection Agency  
9511 West Harrison Street  
Des Plaines, IL 60016

on the 13<sup>th</sup> day of September, 2006.

  
Betty Williams, Secretary  
AECAS (IL/IN)

CERTIFIED MAIL RECEIPT NUMBER: 7001 0320 0006 1455 0396